Losses in Paper Industries

*436. DR. SATYANARAYAN JATIA : Will the Minister of INDUSTRY be pleased to state :

(a) the details of the total loss suffered by the public sector paper manufacturing industries in the country particularly situated in Assam and Madhya Pradesh;

(b) the reasons for incurring losses; and

(c) the steps taken by the Government for remedy the situation?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) *Detials of losses* :

There is only one Central Public Sector Undertaking-Hindustan Paper Corporation Ltd. (HPC)-engaged in the production of paper, in four of its mills. The names, locations and losses incurred upto 31.3.1996 in respect of these mills are given below :

	Name	Location	Loss (as on 31.3.96 Rs. in crores)
1.	Nagaon Paper Mills Cachar Paper Mills	Assam	785.81
2.	Nagaland Pulp & Paper Company Limited.	Nagaland	178.09
3.	Mandya National Paper Mills Limited	Karnataka	175.17

(b) *Reasons for Losses* :

Nagaon and Cachar Paper Mills : Locational disadvantages, lack of infrastructural facilities and high interest burden due to cost over run etc. have let to loss although operating profits have increased in the past. Loss in 1995-96 came down substantially from the previous year and the capacity utilisation is increasing.

Nagaland Pulp and Paper Company Limited : Lack of infrastructural facilities, lack of power, poor organisation of raw materials, unsatisfactory performance of boilers and lack of work culture. Production remains suspended since Oct., 1992.

Mandya National Paper Mills Limited : Low capacity utilisation, operational difficulties, excess manpower and shortage of raw material i.e. bagasse. Production remains suspended since April, 1993.

(c) *Steps taken by Government* :

Nagaon and Cachar Paper Mills : A proposal for financial restructuring of Hindustan Paper Corpn. (Nagaon and Cachar Paper Mills) have been approved by Govt. Action has been taken by H.P.C. to improve efficiency in the area of pulp mill, recovery section and paper machine and to increase the capacity utilisation.

Nagaland Pulp and Paper Company Limited : Government has decided to revive the mill by financial restructuring and additional capital investment.

Mandya National Paper Mills : The Company was referred to BIFR and BIFR ordered winding up. Government has, however, decided to re-start the operations of the mill and privaties it as a going concern. An appeal has been filed in AAIFR.

Board of Trade Meeting on Decline in Exports

*437. SHRI SULTAN SALAHUDDIN OWAISI : Will the Minister of COMMERCE be pleased to state :

(a) whether the attention of the Government has been drawn to the newsitem in 'Hindustan Times' dated October 10, 1996 under caption 'Board of Trade to discuss slide in growth of exports';

(b) if so, the main reasons for slide in growth of exports; and

(c) the decisions taken and the steps being taken to meet the growth of exports by the Board of Trade?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULI RAMAIAH) : (a) to (c). Yes Sir. The recent decline in the rate of export growth is mainly on account of deceleration in the rate global export growth in the current year from 8% in 1995 to an estimated 5% in the first half of 1996, high rate of interest charged by the banks, non-availability of export credit and infrastructure constraints.

As a measure of boostng exports, the Board of Trade recommended that the effects of the Busy Season Credit Policy of RBI be reflected in pratice, particularly with reference to speedy delivery and lowering the cost of credit, Foreign Direct Investment be given whole-hearted encouragement of support, anamolies in the duty structure of certain sunrise industries like textile machinery and machine tools be quickly removed, and the imposition of MAT be reviewed.

Steps taken to improve export growth include :

(i) Operationalization of the Crucial Balancing Investment Scheme to improve infrastructure specifically related to export production.

(ii) Establishment of special growth centres and export promotion industrial parks to support State Governments efforts in export promotion.

(iii) Encouraging exports of agro products and value added products such as processed foods.

(iv) Regional bilateral initiatives have been taken such as operationalisation of SAPTA.

(v) Special thrust is being given to 43 countries of Latin American region by granting double weightage for exports to these countries for

grant of recognition as Export House/Trading House/Star Trading House/Super Star Trading House

(vi) Small exporters with an average export turn-over Rs. 2 crores in the proceeding three years or with a turn-over of Rs. 5 crores in preceeding year have been made eligible for grant of Special Import Licence to give a special boost to exports of products manufactured in SSI sector. Special Import Licence entitlement to status holders has been increased by 1% across the board to all categories and the number of items on the Special Import Licence list has also been increased.

(vii) India Brand Equity Fund has been launched to build up a brand image for Indian export products abroad.

(viii) With a view to involve States/Union Territories in promotion of exports, one State Corporation in each State/Union Territory has been accorded Export House status irrespective of past export performance.

(ix) Better and continuing Inter-ministerial coordination and interface with Trade and Industry to further streamline and simplify procedures relating to Foreign Trade transactions

Silk Industry

*438. SHRI JAGAT VIR SINGH DRONA :
SHRI ANANTH KUMAR :

Will the Minister of TEXTILES be pleased to state:

(a) the names of the States selected under the National Sericulture Project and the details of work being undertaken under the Project;

(b) the financial assistance received so far from the World Bank and Swiss Development Corporation for the Project; and

(c) the time by which the project is likely to be implemented?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA) : (a) A World Bank/Swiss Development Cooperation assisted National Sericulture Project is being implemented in 5 traditional sericulture States namely Karnataka, Andhra Pradesh, Tamil Nadu, West Bengal and Jammu and Kashmir and on a pilot basis in 12 non-traditional States namely Assam, Bihar, Kerala, Rajasthan, Orissa, Gujarat, Maharashtra, Madhya Pradesh, Uttar Pradesh, Punjab, Haryana, and Himachal Pradesh.

Under the project, the components financed are development oriented with several innovative and synergic constituents. Besides creation of substantial infrastructural facilities by the States and CSB for the discharge of functions like the supply of quality basic and rearer seed, markets for decentralised private rearers and reelers, research and development and training facilities for on-farm and off-farm activities the project has also attempted the incorporation of efforts by Non Governmental Organisations (NGOs) by assisting 125 NGOs. The progress in quantitative as well as qualitative terms has been significant and on the technology generation and absorption side, progress has ranged from the evaluation of techniques for genetic marketing of live sericulture material to the introduction of low cost energy conserving ovens in reelers' establishments in the country.

(b) The World Bank/Swiss Development Cooperation have disbursed US$ 120.5 million up to November, 1996 under the project.

(c) The project which commenced in 1989 is closing on 31st December, 1996.

Investment in Coal Sector

*439 DR. MAHADEEPAK SINGH SHAKYA : Will the Minister of COAL be pleased to state :

(a) the total capital investment made in coal sector as on March, 1996 and at the time of nationalisation of the Coal Industry;

(b) the investment made in the sector during the Eighth Five Year Plan period;

(c) whether the Government propose to invest more funds in coal sector in view of the increasing demand of coal in the country; and

(d) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH) : (a) and (b). A Statement is enclosed.

(c) and (d). As per the New Economic Policy of the Government of India stipulating self-sufficiency in public sector undertakings, the budgetary support to Coal India Limited (CIL) and Singareni Collieries Company Limited (SCCL) have been reduced during the Eighth Plan period. However, capital investment in CIL and SCCL will increase during the Ninth Plan period by progressive increase in internally generated resources of these companies and their commercial borrowings. In order to enhance the borrowing capacity of SCCL and CIL, certain capital restructuring steps have been taken by the Government of India in 1994 and 1996 respectively. In June, 1993 the Government have amended the Coal Mines (Nationalisation) Act, 1973 to enable captive coal mining by the private sector and this step will improve the investment in the coal sector. Besides, the partial deregulation of coal prices introduced in 1996 have also improved financial health of these companies.